

## Message Text

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44

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ISO-00 STR-08 AID-20 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 INT-08

EA-11 NSC-07 SS-20 CEA-02 GSA-02 L-03 PM-07 DODE-00

PA-04 USIA-15 PRS-01 DRC-01 /201 W

----- 011603

R 191445Z MAR 74

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 9300

INFO AMCONSUL LUANDA

AMCONSUL LOURENCO MARQUES

AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

C O N F I D E N T I A L LISBON 1041

E.O. 11652: GDS

TAGS: EIND ETRD PO AO

SUBJ: US FERROUS SCRAP EXPORTS TO ANGOLA

REF: STATE 051493; LISBON 0694

1. REACTION BY ANGOLA STEELWORKS HEAD CORREA DA SILVA  
TO THOUGHTS EXPRESSED PARA 3 STATE REFTEL WAS THAT IF USG HAS  
INDICATIONS THAT JAPANESE WILLING TRANSFER PART OF  
JAPAN'S QUOTA ALLOCATION OF US SCRAP TO OTHER COUNTRIES  
(WHETHER OR NOT PERMISSIBLE), AND IF IT TRUE THAT JAPAN  
ITSELF GENERATES SUFFICIENT SCRAP TO PRODUCE AN EXPORTABLE  
SURPLUS, THEN THERE IS AN OBVIOUS JUSTIFICATION FOR  
REDUCING JAPANESE ALLOCATION OF US SCRAP AND ASSIGNING  
PORTION OF JAPANESE QUOTA ELSEWHERE. GIVEN HUGE JAPANESE  
ALLOCATION, AND MINISCULE ANGOLAN NEEDS, CORREA DA  
SILVA FINDS IT HARD TO UNDERSTAND WHY SOME ADJUSTMENT  
OF QUOTAS COULD NOT BE MADE TO ACCOMMODATE ANGOLA.

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2. RE PARA 2 STATE REFTTEL, CORREA DA SILVA EXPRESSED DOUBT THAT OTHER FOREIGN COUNTRIES REQUESTING ADDITIONAL SCRAP ALLOCATIONS ON "HARDSHIP" GROUNDS ARE AS HEAVILY DEPENDENT AS ANGOLA ON RECEIVING US ALLOCATION. WHILE OTHERS MIGHT FACE CONSTRICTION OF PRODUCTION, ANGOLA FACES SHUTDOWN.

3. EMBASSY FINDS LOGIC OF CORREA DA SILVA ARGUMENT DIFFICULT TO REBUT. WHILE WE FULLY AWARE OF SEVERE SCRAP SUPPLY SITUATION, FACT REMAINS THAT ASSIGNING 30,000 TONS FOR THE BALANCE OF THIS YEAR TO ANGOLA WOULD SURELY HARDLY MAKE A DENT IN THE SUPPLY OF US EXPORTABLE SURPLUS. FURTHERMORE, WHILE THE HARDSHIP ARGUMENT IN THE CASE OF ANGOLA IS GENUINE, WE ARE NOT SIMPLY SAYING "HAVE A HEART, FELLOWS". WE WISH RATHER TO EMPHASIZE THE POLITICAL IMPORTANCE OF AVOIDING US RESPONSIBILITY FOR THE COLLAPSE OF ONE OF ANGOLA'S FEW INDUSTRIES. THAT POLITICAL FACTOR WOULD BE IMPORTANT IN ANY YEAR; WE CONSIDER IT TO BE DECISIVE IN A YEAR WHEN WE ARE ENGAGED IN CRITICAL NEGOTIATIONS WITH THE PORTUGUESE FOR RENEWAL OF OUR BASE RIGHTS IN THE AZORES. WE ARE NOT SUGGESTING THAT THE NEGOTIATIONS WILL STAND OR FALL ON THE ISSUE OF SCRAP FOR ANGOLA. BUT US WILLINGNESS TO BE HELPFUL ON THIS ISSUE, OR A US DECISION TO PERMIT THE ANGOLAN STEEL INDUSTRY TO COLLAPSE WHEN THE US, AND VIRTUALLY ONLY THE US, HAD IT IN ITS POWER TO RESCUE THAT INDUSTRY, CANNOT HELP BUT AFFECT THE CLIMATE OF NEGOTIATIONS.

4. EMBASSY THEREFORE REITERATES ITS RECOMMENDATION (LISBON 0694) THAT 10,000 TONS SCRAP BE LICENSED FOR IMMEDIATE EXPORT WITH ADDITIONAL 20,000 TONS EARMARKED FOR SUBSEQUENT ALLOCATION THIS YEAR. REQUEST PROMOT REPLY. SCOTT

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, DATA, EXPORT QUOTAS, IMPORT LICENSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LISBON01041  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** LISBON  
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**Previous Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** US FERROUS SCRAP EXPORTS TO ANGOLA  
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**To:** STATE  
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